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## COSTA RICA

Remarks of Senor Don Jose Andras Coronado, Minister of Foreign Affairs of Costa Rica, Chief of the Costa Rican Delegation

Your Excellency the Secretary of State, Your Excellencies the Delegates at the Conference:

Animated by its traditional spirit of co-operation and fraternity, the Government of Costa Rica has cordially welcomed the opportunity which the Government of the United States has once again offered to the five sister republics of Central America to assemble in this Pan-American Palace with the object of discussing their problems of mutual interest.

Whenever the opportunity has presented itself to the governments of Central America of considering and discussing together any tendencies toward an improvement in the political life and material prosperity of the nations in question, Costa Rica has esteemed it her supreme privilege to be able to contribute with entire sincerity and enthusiasm toward the realization of the exalted aims which have always found expression at these Central American conferences.

On more than one occasion the delegations of the Central American governments have assembled in its capital, and these memorable conferences, as well as those celebrated in other places and at other times, with its assistance and co-operation, have furnished ample testimony to the fact that for Costa Rica the well-being of her sister republics of Central America is not an alien matter, but one that she recognizes as part of her own personal concern.

The invitation to assemble here has been extended to us by His Excellency the Secretary of State of the United States, in whose distinguished person we possess a happy augury not only to the fact that these deliberations will be devoted to the consideration of the highest interests of our respective nations, but also that the results attained at the conference will be commensurate with the noble and exalted ideals wherewith the governments of Central America have assembled together, fully cognizant of the fact that the historic hour of their political union has not yet struck.

It is the distinguished and gratifying privilege of the delegation of Costa Rica to greet the honorable delegates and to declare that the members of the conference may in every particular count upon her frank and active co-operation.

The Costa Rican delegation has undergone some modifications since the opening of the conference; but the new delegation has arrived, and the conference is proceeding. The question of federating the Central American States may not be answered satisfactorily now, but it, along with other problems, will be clarified by the proceedings now taking place in Washington.—THE EDITOR,

THE REVISION OF THE REPARATION CLAUSES OF THE TREATY OF VERSAILLES AND THE CANCELLATION OF INTER-ALLIED INDEBTEDNESS\*

By GEORGE A. FINCH

THE EARL OF BALFOUR, Acting British Secretary of State for Foreign Affairs, in a note respecting war debts sent to the diplomatic representatives at London of France, Italy, the Serb-Croat-Slovene State, Roumania, Portugal, and Greece, on August 1, 1922, requested those governments to make arrangements for dealing to the best of their ability with the loans owing by them to the British Government. He took occasion to explain, however, that the amount of interest and repayment, for which the British Government asks, depends not so much on what the debtor nations owe Great Britain as on what Great Britain has to pay America. "The policy favored by His Majesty is," says the Earl of Balfour, "that of surrendering their share of German reparation, and writing off, through one great transaction, the whole body of inter-Allied indebtedness." But such a policy, he states, is difficult of accomplishment because, "with the most perfect courtesy, and in the exercise of their undoubted rights, the American Government have required this country to pay the interest accrued since 1919 on the Anglo-American debt, to convert it from an unfunded to a funded debt, and to repay it by a sinking fund in twenty-five years. Such a procedure is clearly in accordance with the original contract. His Majesty's Government make no complaint of it; they recognize their obligations and are prepared to fulfill them. But evidently they cannot do so without profoundly modifying the course which, in different circumstances, they would have wished to pursue. They cannot treat the repayment of the Anglo-American loan as if it were an isolated incident in which only the United States of America and Great Britain had any concern. It is but one of a connected series of transactions, in which this country appears sometimes as debtor, sometimes as creditor, and, if our undoubted obligations as a debtor are to be enforced, our not less undoubted rights as a creditor cannot be left wholly in abeyance."<sup>1</sup>

The requirement of the American Government, referred to by the Earl of Balfour, is contained in the act of Congress, approved February 9, 1922, "To create a commission authorized under certain conditions to refund or convert obligations of foreign governments held by the United States of America." This commission, consisting of five members and known as the "World War Foreign Debt Commission," is, by the law, authorized, subject to the approval of the President, "to refund or convert, and to extend the time of payment of the principal or the interest, or both, of any obligation of

\* This able presentation appeared in the October number of the *American Journal of International Law*, 1922, and is reproduced here with the consent of the author.

<sup>1</sup> The note has been printed and published as a British Parliamentary Command Paper, No. 1737 (Miscellaneous No. 5, 1922).